

**MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE**

Room 210 East Senate Building, State Capitol Complex  
January 29, 2014

**Members Present:** Sen. Stephen H. Urquhart, Co-Chair  
Rep. Jon E. Stanard, House Vice Chair  
Sen. Patricia W. Jones  
Sen. Aaron Osmond  
Sen. Howard A. Stephenson  
Sen. Jerry W. Stevenson  
Sen. John L. Valentine  
Rep. Jack R. Draxler  
Rep. Rebecca P. Edwards  
Rep. Don I. Ipson  
Rep. Dana L. Layton  
Rep. Kay L. McIff  
Rep. Marie H. Poulson  
Rep. Dean Sanpei  
Rep. Robert M. Spendlove  
Rep. Mark A. Wheatley

**Members Excused:** Rep. Keith Grover, Co-Chair

**Members Absent:** Sen. J. Stuart Adams

**Staff Present:** Mr. Spencer Pratt, Fiscal Manager  
Ms. Angela Oh, Economist/Statistician  
Ms. Lorna Wells, Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order**

Co-Chair Urquhart called the meeting to order at 2:36 p.m.

**2. Continuation of USHE Base Budget**

Commissioner David Buhler introduced Regent Chair Bonnie Jean Beesley. Regent Beesley thanked the committee and the Legislature for their support of higher education and their service to the state. She said that Comm. Buhler had the full support of the Board of Regents. She praised the presidents of each institution and their Boards of Trustees and their ability to work together in a shared vision of higher education. She said that being accountable to legislators does bring significant return on investment. She discussed the 66 percent by 2020 goal.

Co-chair Urquhart thanked the Regents for their support and vision. He echoed Regent Beesley's sentiments regarding Commissioner Buhler and the college presidents.

Comm. Buhler thanked Regent Beesley and the committee for their support. He praised Regent Beesley on her 18-years of volunteer service on the Board of Regents. He reported on the

increases in full-time equivalent student enrollment and compared Utah's enrollment to national enrollment. He discussed the future projections for enrollment growth. He explained the per student funding in Utah compared with per student funding in the nation. He mentioned that from 2000-2008, Utah caught up to the nation; but in 2008 the funding dropped more dramatically. <http://le.utah.gov/interim/2014/pdf/00001492.pdf>

Co-Chair Urquhart asked if there was more information regarding the causes of these trends. Comm. Buhler stated that 2000-2008 were good economic years and there was major funding growth in higher education. In 2008 there was a great economic downturn. He explained the trends of state fiscal support. He said that states are having a more difficult time funding higher education. When budget times for states are bad, higher education tends to get cut because of their ability to increase tuition.

Co-Chair Urquhart welcomed students from Southern Utah University to the meeting and mentioned their concerns about tuition increases. He commented on the increased percentage of state budgets going to Medicaid.

Comm. Buhler showed comparisons of tuition versus state funded support. He indicated that there is a wide variation between these two funding levels at other states. He mentioned that in some states local property tax is helping to support community colleges.

Rep. Edwards asked for clarification regarding the decreases in state funding support and asked for a copy of the presentation. Comm. Buhler will make sure that committee members have a copy of the data. He explained that Utah is the third lowest state in the nation in four-year tuition rates. This shows that presidents in the USHE system are very efficient. Comm. Buhler stated that Utah has one of the lowest percentages of student debt. He stated that 82 percent of Utah students who pursue higher education upon graduation from high school attend a USHE institution. Last fall there were about 171,000 students enrolled in USHE institutions and 31,741 certificates and degrees were awarded last year. He highlighted the advantages of having a systemic approach to Higher Education. He showed the most common majors in the USHE system and how they compare with current occupational projections. He discussed the strong alignment of the five star occupations identified by Utah Department of Workforce Services with current degree programs. He discussed the fastest growing workforce clusters identified by the Georgetown Center and the commonality with the USHE top majors. He discussed the constant reprioritization of resources done by each of the presidents and the discontinuation of outdated programs. He mentioned the new certificate programs that were launched last year in response to the needs of the business community.

Co-Chair Urquhart said that this is related to the committee discussion yesterday. The committee members are responsible for determining what changes are taking place at the institutions in their districts and relay this information to the Executive Appropriations Committee. He asked about the coordination with UCAT with the new certificates being offered to determine if the certificates would be better in the UCAT system or in USHE and also to discuss the articulation in place.

Comm. Buhler answered that there is now a great deal of cooperation between USHE and

UCAT. There are many articulation paths available. In many programs 900 hours from a UCAT institution can be counted towards credit in a USHE institution. He discussed the economic benefits the state receives from an educated workforce.

Rep. Wheatley asked if there is any data regarding ethnicity. Comm. Buhler will get that information for Rep. Wheatley.

Comm. Buhler gave a broad overview of the FY 2015 Higher Education Budget Request including direct educational costs and indirect educational costs.

Rep. Layton asked how the statistic of 82 percent of high school students going into the USHE system compares to other states. Comm. Buhler will give that data to Rep. Layton. She also wanted to emphasize the data that showed that the arts were above STEM in the fastest growing clusters reported.

Sen. Stephenson asked what could be done to assist higher education in evaluating the best way of ensuring getting tuitions right for the kinds of degrees that are most needed. He also asked if the Regents have looked at deciding which institutions should provide which degrees.

Comm. Buhler said as new programs come forward, the Board of Regents ask what the market for this degree is. He stated that programs are reviewed at the institutional level and reported to the Board of Regents. There some basic programs that are common to every institution.

Sen. Stephenson stated that some of the least expensive programs for the institutions to provide are the most expensive for the students. He emphasized that all education has value; but students need to know going into any degree what economic value that degree will provide. He is hopeful that the public will utilize the data in the Utah Data Alliance to help guide those decisions. He asked when the Utah Data Alliance will be more readily available with the ability to compare data in an easier way.

Comm. Buhler stated there has been a great amount of work to get the information to students. They have made the Utah Data Alliance available. <http://www.utahdataalliance.org/> He stated that it is very easy to navigate and compare degrees offered at each of the USHE institutions and wages earned.

Sen. Jones asked how parents could be more educated about what jobs are available. She asked how the new system let parents know what is important. She asked if there are mentorships and apprenticeships to expose students in a more meaningful way. She asked what is being done to encourage more women to graduate. Comm. Buhler reported that they have engaged learning and internship programs. He stated that higher education is trying to train people to learn how to learn and how to think. They will often have several occupations in a lifetime and must be adaptable. Comm. Buhler said that about half of the graduates are women. Women are falling behind in the bachelor's degree level and STEM programs. There are many initiatives to encourage more women especially in the sciences. He discussed the Utah Scholars Initiative.

Rep. Spendlove commented that this was very helpful information. He asked if there would be a

way to get more detailed information. He wondered if would be possible to get more regional or nationwide data so that the state could encourage companies to want to come to Utah.

Rep. Stanard asked if the Utah Data Alliance includes job placement in a field related to your degree after finishing a degree. He also asked how proactively the Board of Regents is trying to get the information to the students.

Comm. Buhler answered that they look at the wage data that exists, which is about 50 percent of the jobs and match this up with where they graduated. He stressed that the data only shows part of the picture. There are many efforts to try and get the word out.

Mr. Pratt clarified that in 2008 during the economic downturn when all USHE budgets received cuts, they also had a great influx of students. This caused a wider disparity between state funding and tuition funding.

### **3. USHE Performance Measures**

**a. USHE Degrees (Issue Brief)** Mr. Pratt explained the issue brief regarding the total degrees earned in the USHE system, as well as the degrees earned at each institution for the past ten years. He mentioned that the degrees that were previously in the College of Eastern Utah have been added into Utah State University from 2010 forward. He stated that it includes associates through first professional degrees. <http://le.utah.gov/interim/2014/pdf/00000223.pdf>

**b. USHE Historical Enrollment (Issue Brief)** Mr. Pratt stated that enrollment is measured in several ways. He discussed the annualized budget related FTE (full-time equivalent is 15 credit hours) which would be those students who are covered by state appropriations and tuition. The enrollment also shows actual student headcount. He explained that there is a chart for each school and the entire USHE system. <http://le.utah.gov/interim/2014/pdf/00000229.pdf>

**c. Graduation Rates (COBI)** Mr. Pratt explained that the graduation rates are listed under the Education and General Line Item at each institution from 2008 to 2013. He explained that a six-year time frame is allotted to see how many students complete a four-year degree. [http://le.utah.gov/lfa/reports/cobi2014/sctte\\_27.htm](http://le.utah.gov/lfa/reports/cobi2014/sctte_27.htm)

Rep. Stanard asked if transfer students are factored into the graduation rates. Mr. Pratt answered that these students are not factored in, which definitely impacts the graduation rates of two-year institutions.

Rep. Draxler asked if students who leave institutions for two years to serve a mission for the Church of Jesus Christ of Latter-day Saints are also only counted if they finish in six years. Mr. Pratt answered that he believes that those two years are not included in the count. It doesn't look at the entire population going in and going out. The count only looks at first-time, full-time students.

### **4. Other USHE Issue Briefs**

**a. Education and General Expenditures by Category.** Mr. Pratt discussed the components of the Education and General Budget stating that instruction is the biggest component. The other expenditures include research, public service, academic support, student services, institutional support, scholarship, and O & M for the plant. He included the Education and General line item for each institution and how many FTE are associated with that line item. He reported that 80 percent of the total budget is salary, wages and benefits. He explained the entire budget for all of USHE is about \$1.2 billion.

<http://le.utah.gov/interim/2014/pdf/00000562.pdf>

**b. Direct and Full Instructional Costs per FTE Student.** Mr. Pratt said that one way to look at costs is direct and full instructional costs per FTE student. He explained the differences between direct and full cost. It is also determined if those costs are from appropriated funds or all funds. On average, at the vocational level across the system the direct cost is \$4,437. The full cost is \$8,015. Lower-division costs are \$3,200; full cost is \$7,100. Upper-division costs are \$6,800 and full-cost is over \$11,000. Basic graduate costs are \$10,500 and full-cost is \$15,000. <http://le.utah.gov/interim/2014/pdf/00000243.pdf>

Co-Chair Urquhart referred to Rep. Draxler's question regarding missions affecting the graduation rate. He stated that it could affect the graduation rate, but felt that the state uses this as rationale too often. He reported that BYU's six-year graduation rates are 77 percent. He stated that part of the committee's job is to help figure out what the problem is that is keeping graduation rates low at each institution. He stated some fundamental changes need to be made.

**c. Direct Instructional Costs Per Degree.** Mr. Pratt reported that the committee had asked for information on direct instructional costs per degree. He stated the Board of Regents gave him information regarding instructional costs per cluster of degrees. Some of the clusters are fairly narrow, others are not. Mr. Pratt showed the total appropriated direct expenditures for each cluster at each level and listed those by school. He also listed the degrees and certificates associated with the clusters. He divided the total direct instructional expenditures by the degrees awarded to determine an average of direct appropriated instructional costs per degree in each cluster. He also listed the funding split between state funds and tuitions. He stated that the averages are aggregates of all of the degrees in the cluster. This also includes the costs of instructing students who do not graduate. <http://le.utah.gov/interim/2014/pdf/00000246.pdf>

Rep. Stanard asked if the master's and doctorate degrees include the costs of the undergraduate degree. Mr. Pratt indicated that the costs listed for post-graduate work does not include undergraduate work.

Rep. Poulson asked about the statistic that Utah has one of the biggest gaps between men and women graduating. Mr. Pratt stated that this information is available by gender and ethnicity at the Regents level. He will verify this and get back to Rep. Poulson.

Co-Chair Urquhart asked Mr. Pratt to give committee members this data. The average marriage age is younger as well as the age for women having their first child, which impacts graduation rates. He stated that this speaks to the need of greater flexibility in course offerings.

Rep. Wheatley asked if the cost of obtaining licensure is included in the programs where licensure is required. Mr. Pratt indicated that licensure is not included

**d. Mission-Based Funding** Mr. Pratt stated that the Utah State Board of Regents is now required to consider the mission of the institution when considering the funding request. This should include growth and up to three strategic priorities identified by the institution. The first year (FY 2013) \$8 million was approved; \$4 million for mission-based funding and \$4 million for equity. Last year (FY 2014) the Legislature approved an additional \$9 million for mission-based funding and \$9 million for equity. <http://le.utah.gov/interim/2014/pdf/00000249.pdf>

**e. Performance-Based Funding** Mr. Pratt discussed the fact that last year was the first year that \$1 million was added as a one-time appropriation for performance-based funding with intent language to improve retention rates, completion rates, and reduction in remedial instruction. Mr. Pratt explained that the Board of Regents divided the institutions into three groups in order to distribute this funding. Each institution submitted their own specific performance measures. They will submit a final report to the Board of Regents. <http://le.utah.gov/interim/2014/pdf/00000252.pdf>

Sen. Stephenson asked if the same standards will be utilized from year to year. He asked how the performance measures were made and if they are the right ones. He stated that if the entire \$1.2 billion higher education budget were based on performance standards this would bring about better completion and employment results and results that would meet individual needs of the population. It is important not to give institutions unintended motives.

Co-Chair Urquhart explained that last year the co-chairs discussed the importance of moving the system to performance based. In four or five more years, there would be a significant amount of the funding be based on degrees, certificates and actual completions and perhaps even some aspect of jobs upon completion. The idea for this first year is to put some money and to make steps towards this type of funding model. The institutions are responsive to any portion of the budget dollars. This will have to be modified and adjusted, but if huge changes are made in short time periods, this isn't always the best solution. He asked Mr. Pratt to give this topic considerable amount of time at next week's meeting. He mentioned that today's students are much more likely to move between institutions.

Sen. Stephenson mentioned that several years ago all of the education related committees met in a retreat. He stated that these retreats were very valuable. Co-Chair Urquhart mentioned that they might be able to do this by combining two interim meetings. The two co-chairs will discuss this with the Public Education Appropriations Subcommittee.

Rep. McIff stated that he takes huge credence on the input received from the Regents and the President's Council. He is very supportive of their decisions when they come to the committee with a unified recommendation. He would be very cautious about the committee revamping the system at the Legislative level. Co-Chair Urquhart agreed with Rep. McIff only adding that the committee can have significant involvement with the recommendations as they come forth.

Mr. Pratt explained that the funding for performance-based funding was \$1 million one-time;

and intent language will also go away after one year. If there is additional performance-based funding approved, the committee might want to approve new intent language.

## **5. USHE Institutional Presentations**

**a. Weber State University.** Charles A. White, President, Weber State University (WSU) explained the dual mission of WSU as a comprehensive state university as well as a community college. He reported on the types of degrees awarded and stated that 90 percent of WSU's students are from Utah. He mentioned some of the recent national recognitions and rankings. He reported on the appropriated base budget, indicating that salaries and benefits comprise 86 percent of budget. He listed several initiatives that WSU utilizes to save money. Pres. White discussed program consolidation, elimination and development and the alignment with workforce needs. He reported on the institutional priorities. He stated that they will need 800 additional students per year in order to meet the state's 2020 goal.

Rep. Edwards asked if WSU does add 800 students each of the next two years, what graduation rate would be necessary to meet the 2020 goal. Pres. White indicated that WSU needs more graduates and needs to improve the graduation rate in order to meet this goal. They have developed some strategic planning to improve this.

Sen. Stephenson asked if the 800 is in targeted areas or in any field. Pres. White answered that it is mostly in any field. He mentioned that 82 percent of WSU students are working full time within three months of graduation. He stated that in arts and humanities it is 84 percent.

Sen. Stephenson asked if Utah Data Alliance can aggregate WSU students separate from the whole so the committee could see more about this data. He would like to meet with Pres. White separately to discuss this matter further. Pres. White and Comm. Buhler indicated that Utah Data Alliance can provide that information.

Co-Chair Urquhart thanked Pres. White for his excellent leadership and the WSU team. He asked how the committee can maintain the 50 percent state funding, 50 percent tuition funding proportions.

**b. Southern Utah University.** Scott L. Wyatt, President, Southern Utah University (SUU) reported on recent innovations designed for university efficiencies and increased student success. Pres. Wyatt indicated that the graduation rate at SUU is now 52.6 percent. He discussed the mission of SUU and some of the recent successes. He reported that the average salary for liberal arts social science majors is higher than the physical sciences. He stated that SUU has increased the admission index. Co-Chair Urquhart noted that when higher expectations are established for high schools there is improved college readiness, better retention, and better completion rates.

Pres. Wyatt discussed the new Freshman Interest Group initiative. He discussed the 2013-14 budget they will invest in high priority areas. Pres. Wyatt introduced students in the audience who are currently attending SUU.

**c. Dixie State University.** Stephen D. Nadauld, President, Dixie State University (DSU)



highlighted some of the dramatic changes happening at Dixie State University. He discussed the mission at DSU. He mentioned that 60 percent of the freshmen class are first generation college students. He stated that DSU is above the state average in associates' degrees, but below the state average in baccalaureate degrees. They have added baccalaureate degree programs. He discussed operational efficiencies and the academic program efficiencies, specifically in math and English. He discussed improved retention rates by adding more first-year advising. He explained the successful partnerships with local school districts, the Dixie ATC, and the University of Utah. He discussed the need to hire faculty in critical courses. There is a critical need for staff professionals.

**MOTION:** Rep. Layton moved to adjourn. The motion passed unanimously.

Co-Chair Urquhart adjourned the meeting at 4:50 p.m.

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Sen. Stephen H. Urquhart, Co-Chair

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Rep. Keith Grover, Co-Chair